

GURUGRAM

MARKET VIEW REPORT

Q1 2024

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Q1 2024

India's Economic Evolution: Balancing Global Integration, Domestic Growth, and Future Aspirations

Over the past few decades, India's economic landscape has undergone a significant transformation. Trade openness, measured as the ratio of trade to GDP, has climbed from a mere 7% in 1970 to approximately 50% today, according to World Bank data. This remarkable rise, particularly from 26% in 2000 to 49% in 2010, underscores India's embrace of globalization.

India's service exports have surged spectacularly, growing from \$53 billion to \$339 billion over the past twenty years, outpacing global growth rates. With the number of Global Capability Centers (GCCs) in India projected to reach 3000, service exports could soar to \$1 trillion within the next decade. As of 2022, India's share in global exports was 2.5%, up from 1.45% in 2007. However, recent data indicates a troubling trend of de-industrialization in labor-intensive sectors. The Federation of India Export Organisations has highlighted a decline in global market share across these sectors over the past five years. In 2023-24, exports of white goods, textiles, leather, gems and



jewelry, and marine products all contracted, with declines ranging from 3% to 9%.

Contributing factors include small firms struggling with India's GST regime, a slowing global trade environment, and a preference for sourcing from Vietnam and Bangladesh due to their free trade agreements. To put this in context - in 2023, China exported \$114 billion worth of garments, followed by the EU with \$94.4 billion, Vietnam with \$81.6 billion, Bangladesh with \$43.8 billion, and India with just \$14.5 billion.

Despite these challenges, India's total stock market capitalization has surged from \$1.9 trillion to \$5 trillion over the past decade. The nation is emerging as a vital partner for global businesses and governments seeking resilient supply chains amidst geopolitical shifts.



However there is still a long way ahead, as achieving the ambitious goal of transforming India into a \$40 trillion economy by 2047 will require sustaining an 8% annual growth rate.

On the energy front, NTPC plans to invest \$1.5 trillion over the next decade to double India's nuclear power capacity to 10GW. Meanwhile, state-run REC intends to lend \$0.02 trillion to coal-fired power plants by 2032 to add 80GW of thermal capacity.

India's road infrastructure has also expanded impressively. Currently, India has 5.13 km of road per 1000 people, compared to over 20 km in the US and 3.6 km in China.

Internationally, there is growing optimism about India's economic prospects. This sentiment is reflected in S&P Global Ratings' recent revision of India's sovereign-credit outlook from 'stable' to 'positive,' although the actual credit rating remains just above investment grade. At 18% of GDP,

India's external debt is among the lowest in the G20, which is reassuring. However, for a complete picture of India's external liabilities, it's crucial to consider the net international investment position (NIIP). Between 2003 and 2023, India's net liabilities rose from \$60 billion to \$396 billion, increasing from 9.9% to 11.1% of GDP. In comparison to other G20 countries, the US is the most indebted, Japan is the largest creditor, and India is somewhere in the middle.

As India stands on the cusp of a long-anticipated economic takeoff, it faces the dual challenge of maintaining robust growth while navigating a complex and competitive global trade environment. The path forward requires a balanced approach that leverages India's strengths in services, addresses the vulnerabilities in manufacturing, and continues to build on its infrastructure and energy capacities.

Sources: Multiple news publications including H1, Mint, Economic Times

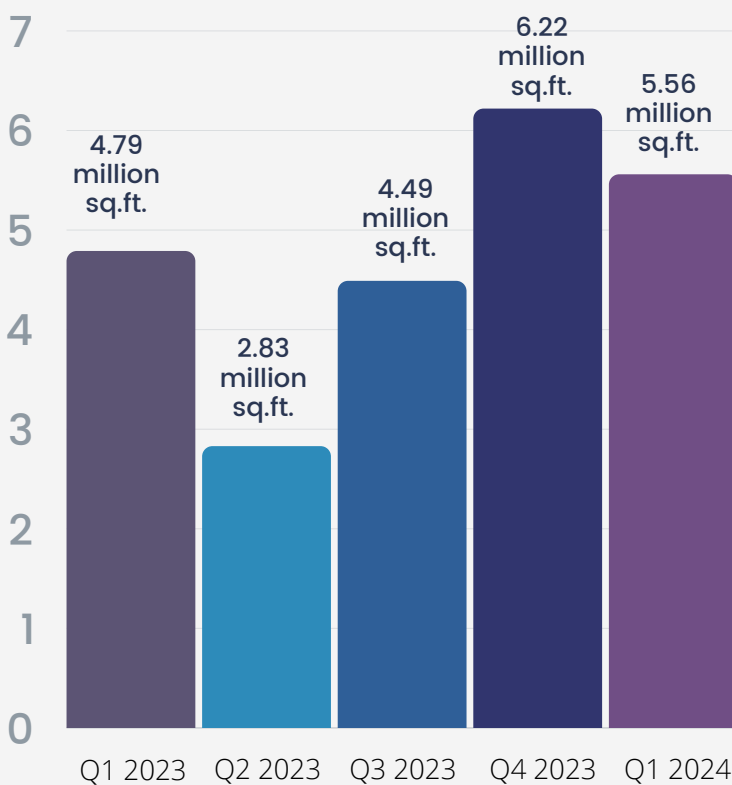
DECODING GROSS LEASING ACTIVITY

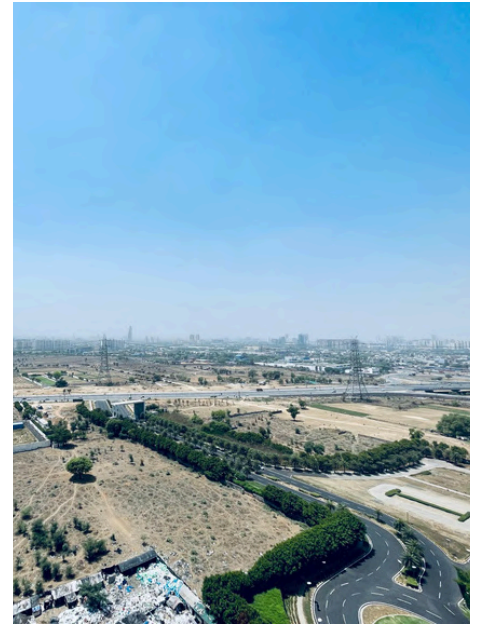
Q1 2024



The Gross leasing volume figures (across office, retail & industrial stock) stands at 5.56 million sq.ft. for Gurugram

This translates to an overall decline of ~11% over Q4 2023 for Gurugram. Although the gross leasing volume has decreased this quarter, it still surpasses the figures recorded in each of the first three quarters of 2023.



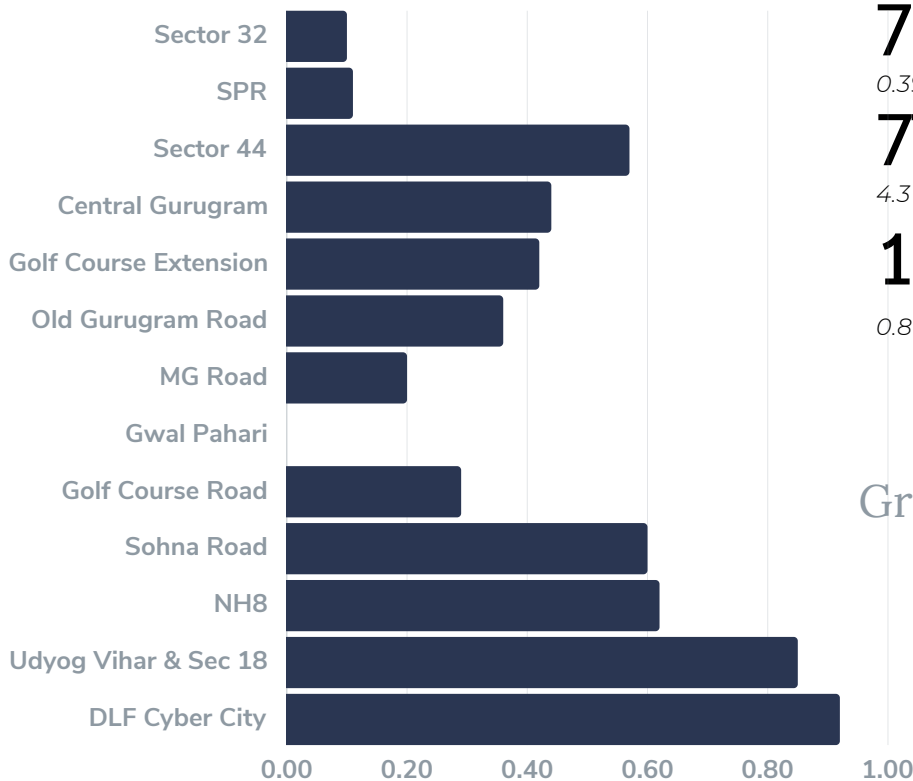


DISTRIBUTION OF TRANSACTION SIZE

81% Share of Pie by Volume - Transactions done within Q1 2024 with area size 10,000+ sq.ft. or more

01 Gurugram Q1 2024 figures

Drilldown - Total Leasing Volume - 5.56 million sq.ft.



7%
0.39 million sq.ft.

77%
4.3 million sq.ft.

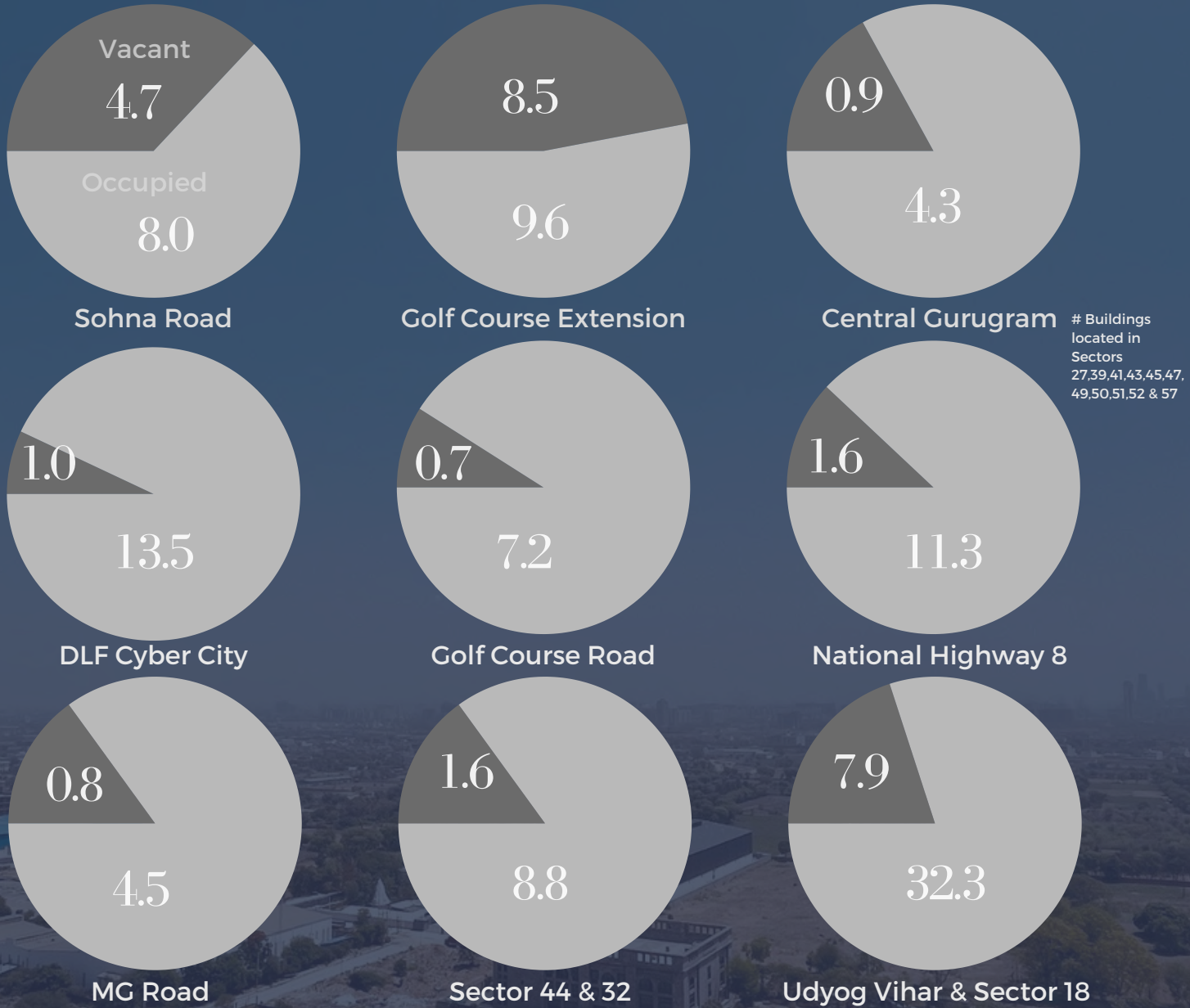
16%
0.87 million sq.ft.



Gross Leasing Volume

OFFICE

Occupancy & Vacancy Trends



■ Vacant
 ■ Occupied

All figures are in million sq.ft.

The gross leasing activity during Q1-2024 exhibited a slower pace, a common trend as many companies conclude their financial year, solidify budgets for the upcoming year. Notably, while the gross leasing volume in Sector 44 (0.57 million sq.ft.) appears higher, it predominantly stems from an internal lease finalized for the EY Campus in Sector 44. Excluding this factor, the actual gross leasing area in Sector 44 reduces to 0.28 million sq.ft. An additional highlight of the quarter was the robust leasing performance on Sohna Road, indicating significant momentum in smaller-sized transactions.

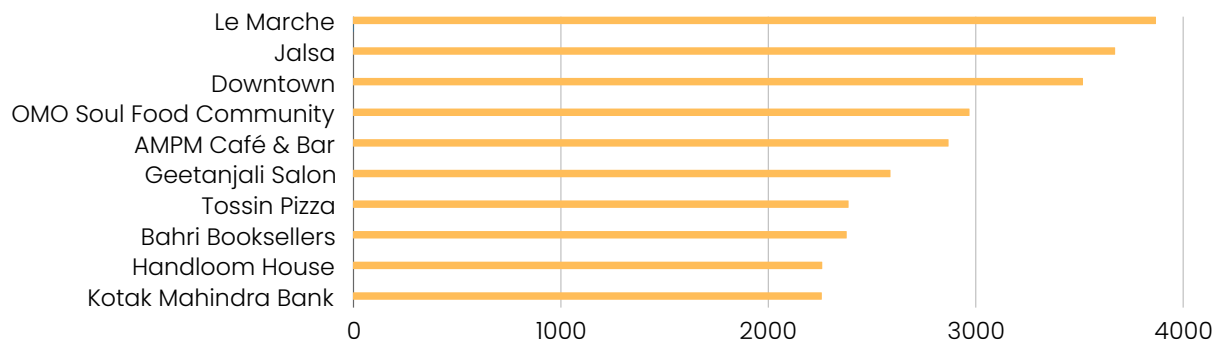
MARKET IN FOCUS

DLF GALLERIA MARKET

Galleria Market is known as the go-to shopping spot in Gurugram, establishing itself as the leading high street location since its establishment. Back when shopping choices in Gurugram were limited to a few malls on MG Road, Galleria Market emerged as a prominent center. Positioned between Hamilton Court and Ridgewood Estate, across from DLF City Club, it quickly became a hotspot for residents of these residential complexes. With time, retail brands acknowledged the importance of being present at DLF Galleria to fully connect with the Gurugram market. While several factors contribute to its success, timing has undeniably played a crucial role. This market introduced a convenient shopping experience with prominent brand showcases, a concept previously absent in the city's landscape.



Top 10 Brand Portfolio View



The **Food and Beverage (F&B)** sector stands out as the leading retail category in this market, occupying approximately **40% of the total area**. **Apparel and Electronics** jointly secure the second position, each **accounting for 9% of the market share**, followed by **Salon & Skincare** at **6% and 5% respectively**.

DLF Galleria stands out as the most costly retail destination in Gurugram when assessed based on rent per square foot per month.



02 Key Transactions

Gurugram | Q1 2024



Reliance Industries

Unitech Commercial Tower (121,358 sq.ft.)

Nykaa

Plot 156, Sector 44 (56,511 sq.ft.)

Bata

Milestone Experion Centre (45,241 sq.ft.)

Maruti Suzuki

Tag Avenue (237,644 sq.ft.)

Wework

HQ27 (96,339 sq.ft.)

National Australia Bank

DLF Cyber Park (73,990 sq.ft.)

RSM India

HQ27 (55,014 sq.ft.)

UrbanWrk

Baani The Statement (76,135 sq.ft.)

Key Office Takeups

Key Transactions

Gurugram | Q1 2024



PF Chang's
DLF Cyber Hub (7,533 sq.ft.)

Bellavino
AIPL Joy Central (10,372 sq.ft.)

154 Cafe & Bar
Building No 8C (9,046 sq.ft.)

Castle's Barbeque
Mall 51 (11,212 sq.ft.)

The Laugh Store
Building No 8C (10,818 sq.ft.)

Bikanervala
AIPL Business Club (6,582 sq.ft.)

McDonalds
Reach 3Roads (5,115 sq.ft.)

Dasaprakash
Good Earth Business Bay II (5,234 sq.ft.)

Key Retail Takeups

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